

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE ENERGY)	
KENTUCKY, INC., FOR: 1) AN ADJUSTMENT OF)	
THE ELECTRIC RATES; 2) APPROVAL OF AN)	CASE NO.
ENVIRONMENTAL COMPLIANCE PLAN AND)	2017-00321
SURCHARGE MECHANISM; 3) APPROVAL OF)	
NEW TARIFFS; 4) APPROVAL OF ACCOUNTING)	
PRACTICES TO ESTABLISH REGULATORY)	
ASSETS AND LIABILITIES; AND 5) ALL OTHER)	
REQUIRED APPROVALS AND RELIEF)	

COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION
TO DUKE ENERGY KENTUCKY, INC.

Duke Energy Kentucky, Inc. ("Duke Kentucky"), pursuant to 807 KAR 5:001, is to file with the Commission the original in paper medium and an electronic version of its responses to the following information, with a copy to all parties of record. The information requested herein is due within ten days of the date of this request. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Duke Kentucky shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Duke Kentucky fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When filing a paper containing personal information, Duke Kentucky shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Application, Volume 13, Schedule L, page 3 of 15. The section related to Rate DT states that language referencing an expired pilot program has been removed. Provide details of the pilot program, the number of customers currently being serviced under the program, and the effect on those customers of ending the program.

2. Refer to the Application, Volume 13, Schedule L, page 5 of 15. This page states that the new proposed rider rates for Rider GSS are derived from the cost-of-service study ("COSS"). Provide the location of the values in the COSS which support the proposed rates.

3. Refer to the Application, Volume 13, Schedule L, page 7 of 15. This page states that Rate OL, Outdoor Lighting Service, is cancelled and withdrawn and that all remaining participants are moved to UOLS and, as applicable, OL-E. State where in the

billing analysis (schedule M of the Application) these customers are shown at both current and proposed rates. If the information is not separately and clearly shown in Schedule M (including the rate class to which customers are being transferred), provide the information in Excel format with the formulas intact and unprotected. Include in the response the largest percentage increase that any customer will receive as a result of being transferred.

4. Refer to the Application, Volume 13, Schedule L, page 8 of 15. This page states that Rate NSP, Private Outdoor Lighting, is cancelled and withdrawn and that all remaining participants are moved to UOLS and, as applicable, OL-E. State where in the billing analysis (schedule M of the application) these customers are shown at both current and proposed rates. If the information is not separately and clearly shown in Schedule M (including the rate class to which customers are being transferred), provide the information in Excel format with the formulas intact and unprotected. Include in the response the largest percentage increase that any customer will receive as a result of being transferred.

5. Refer to the Application, Volume 13, Schedule L-1, page 62 of 148. Explain why Duke Kentucky is requiring a minimum 10-year term of service for Rate LED and whether this is required in other Duke Energy jurisdictions.

6. Refer to the Application, Volume 13, Schedule L-1, page 63 of 148, Section 4. Explain the question mark that appears at the end of this section.

7. Refer to the Application, Volume 13, Schedule L-1, page 87 of 148, section 2.e. Explain why Duke Kentucky is not proposing to include in its tariff the specific

regional transmission organization billing codes it is proposing to charge or credit customers through the fuel adjustment clause.

8. Refer to the Application, Volume 13, Schedule L-1, page 89 of 148. Explain why Duke Kentucky is not proposing to include in its tariff the specific regional transmission organization billing codes it is proposing to charge or credit customers through the profit sharing mechanism.

9. Refer to the Application, Volume 13, Schedule L-2.2, page 92 of 152. Explain the comment that appears in the right-hand margin on this page.

10. Refer to the Application, Volume 13, Schedule L-2.2, page 111 of 152. Explain the comment that appears in the right-hand margin on this page and why it is reasonable to limit pole attachments to distribution lines.

11. Refer to the Application, Volume 13, Schedule L-2.2, pages 118 and 120 of 152. Duke Kentucky is proposing to add the following language to its cogeneration tariffs: No capacity purchase will be made if QF cannot satisfy Company's capacity need or Company does not have a capacity need. Explain how this language is not in violation of 807 KAR 5:054, Section 6.

12. Refer to the Application, the Direct Testimony of Bruce L. Sailors ("Sailors Testimony"), page 17, lines 10–20, which relate to Duke Kentucky's proposed changes to its Cogeneration and Small Power Production Sale and Purchase - 100 kW or Less Tariff.

a. Lines 15–16 state Duke Kentucky intends to recover revenues for the required energy purchases through the fuel adjustment clause as an economy energy

purchase. State whether there are any customers currently being served under this tariff and, if so, the current accounting for recording such purchases.

b. Provide supporting documentation for the proposed energy purchase rate which Duke Kentucky states is based on the avoided energy cost equal to a two-year average PJM Interconnection, LLC Locational Marginal Price at the Duke Kentucky node.

c. Provide the location of the avoided capacity cost in the record of Case No. 2014-00273¹ which supports the capacity purchase rate proposed in this proceeding.

13. Refer to the Sailers Testimony, page 19, lines 14–16, which relates to Rate RTP.

a. Provide the location of the values in the COSS which support each of the combined proposed energy delivery charge and ancillary services charge rates.

b. State the reasons for combining the rates and the effect it will have on Rate RTP customers.

14. Refer to the Sailers Testimony, page 20, lines 16–21. Confirm that all customers taking service under Rider GSS are being charged all three rates which Duke Kentucky is now proposing to combine into one rate. If this cannot be confirmed, explain.

15. Refer to Duke Kentucky's response to Commission Staff's Second Request for Information, Item 64, Attachments 1 and 2. Provide these attachments in Excel spreadsheet with the formulas intact and unprotected or the location of same in the record of this proceeding.

¹ Case No. 2014-00273, *2014 Integrated Resource Plan of Duke Energy Kentucky, Inc.* (Ky. PSC Sept. 23, 2015)

16. Refer to Duke Kentucky's response to Commission Staff's Third Request for Information ("Staff's Third Request"), Item 4, Revised Attachment BLS-2.

a. Refer also to the Application, Volume 13, Schedule L-1, page 22 of 148. Explain why it is reasonable to increase the customer charge for Rate DS three-phase customers from \$15.00 to \$34.28 as shown in Schedule L-1, given the \$25.05 COSS supported customer charge calculated for Rate DS in Revised Attachment BLS-2.

b. Given the COSS supported customer charge of \$261.05 calculated for Rate TT in Revised Attachment BLS-2, state whether Duke Kentucky believes it appropriate to reduce the current customer charge of \$500.00 for Rate TT. If not, explain.

17. Refer to Duke Kentucky's response to Staff's Third Request, Item 10, Attachment, page 3 of 3, Fixed Bill Plan Description section.

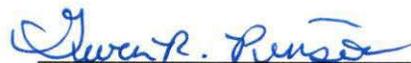
a. This section states, "Customer's usage will be reviewed regularly and significant changes in Customer's consumption behavior may require the Fixed Bill amount to be recalculated before the 12-month period ends." Given this language, explain how Duke Kentucky's proposal can be considered a "fixed" bill plan.

b. Explain why the premium proposed to be used in the calculation of a fixed bill is not mentioned in this section.

18. Provide a sample calculation for a fixed bill customer showing all line items that would be included in the calculation.

19. Refer to Duke Kentucky's response Northern Kentucky University's Initial Request for Information, Item 1. Provide an updated Schedule M in Excel spreadsheet format with the formulas intact and unprotected which incorporates the changes made to Rates DT-Primary and DT-Secondary as set forth in this response.

20. Refer to Duke Kentucky's response to the Attorney General's Second Request for Information, Item 40. The second page of the response states, "The Company proposes this revised sheet No. 91 as a remedy to the issue raised above subject to an appropriate revenue adjustment." Provide the revenue adjustment that would be appropriate and the supporting calculation for the adjustment.


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DATED **FEB 14 2018**

cc: Parties of Record

Case No. 2017-00321

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